



PLANNING COMMISSION

AGENDA REPORT

III.1

MEETING DATE: SEPTEMBER 26, 2005

ITEM NUMBER:

**SUBJECT: DA-05-02 ANNUAL REVIEW OF AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA
DEVELOPMENT AGREEMENT (DA-94-01)
3333 FAIRVIEW ROAD**

DATE: SEPTEMBER 13, 2005

**FOR FURTHER INFORMATION CONTACT: CLAIRE L. FLYNN, AICP, SENIOR PLANNER
(714) 754-5278**

DESCRIPTION

Annual review of the development agreement between the City of Costa Mesa and the Automobile Club of Southern California.

APPLICANT

Mr. Jeffrey L. Prokop representing the Automobile Club of Southern California.

RECOMMENDATION

Staff recommends that the Planning Commission take the following actions:

1. Based on the evidence in the record, determine and find that the Interinsurance Exchange of the Automobile Club of Southern California (Auto Club) has demonstrated good faith compliance with the terms and conditions of Development Agreement DA-94-01 (Agreement).
2. Approve direction to staff to limit future reviews to outstanding development agreement obligations only and to recommence periodic annual reviews accordingly with the final phase of building construction.


CLAIRE L. FLYNN, AICP
Senior Planner


R. MICHAEL ROBINSON, AICP
Asst. Dev. Svcs. Director

BACKGROUND

The Auto Club is located at 3333 Fairview Road. On May 23, 1994, the City of Costa Mesa approved Development Agreement DA-94-01 between the City and Auto Club in conjunction with the approval of a two-phased, 500,000 square-foot building expansion of the Auto Club's headquarters. To date, Auto Club has completed 250,000 square feet of their approved expansion.

Section 6.1 of the Agreement requires an annual review by the Planning Commission and City Council. However, in December 1997, City Council delegated future reviews and required findings to the Planning Commission. The purpose of the annual review is to determine whether or not the Auto Club has demonstrated "good faith" compliance with the Agreement's terms. In every past annual review, the City has determined Auto Club to be in compliance with the terms and conditions of the Development Agreement. The Planning Commission last reviewed this agreement in September, 2004.

ANALYSIS***Periodic Annual Review***

The Auto Club has submitted a letter documenting their Agreement compliance to date. In summary, the Auto Club has accomplished the following:

1. Completed traffic study to determine trip daily vehicle trip counts in June, 2000 pursuant to Section 3.9(c)(i) of the Agreement.
2. Paid \$138,060 in additional traffic fees to the City in November 2000 pursuant to Section 3.9(c)(ii) of the Agreement.
3. Regular submission of the annual review of the development agreement as requested by the City, and the Auto Club has always been found to be in compliance with the agreement's terms.

Because the Auto Club has not yet pursued their final phase of building construction, there are no other obligations they need to fulfill at this time. The remaining obligations include conducting a second traffic study no earlier than thirty months and no later than thirty-six months after the issuance of the certificate of occupancy for the final phase of development [Section 3.9(c)(iii)]. If the traffic study shows additional traffic than what was previously anticipated (as defined in the development agreement), the Automobile Club would be responsible to pay additional traffic impact fees.

Legal Review

The City Attorney's office has reviewed the obligations of the development agreement and believes that there are not any legal issues outstanding at this time. Transportation Services has also reviewed the development agreement and concurs that Automobile Club of Southern California is in compliance with the terms of the agreement.

Future Periodic Reviews

Since other required benefits pursuant to the Development Agreement will not be triggered until new building activity occurs on the site, staff recommends that the Planning Commission provide direction to limit future reviews to outstanding development agreement obligations only and to recommence periodic annual reviews accordingly with the final phase of building construction. Thus, the next periodic review may occur in several years depending on the timing of the final phase.

ALTERNATIVES

If the Planning Commission finds the Auto Club is not in compliance with the Agreement's terms, evidence supporting that determination would be required.

CONCLUSION

Both the applicant and the City have made good faith efforts to comply with the provisions and conditions of DA-94-01. The Planning Commission's findings can be made by minute order.

Attachments: 1. Auto Club Letter
 2. Development Agreement DA-94-01

cc: Deputy City Manager - Dev. Svcs. Director
 Deputy City Attorney
 Fire Protection Analyst
 Transportation Services Manager
 Staff (4)
 File (2)

Jeffrey L. Prokop, Vice President
Automobile Club of Southern California
P.O. Box 25001
Santa Ana, CA 92799-5001

ATTACHMENT 1
AUTO CLUB LETTER

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AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA

RECEIVED
CITY OF COSTA MESA
DEVELOPMENT SERVICES DEPARTMENT

AUG 11 2005

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August 9, 2005

Claire L. Flynn, AICP
Senior Planner
Planning Division
City of Costa Mesa

SUBJECT: REVIEW OF DEVELOPMENT AGREEMENT DA 94-01

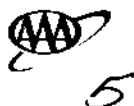
Dear Ms Flynn:

We have received your letter dated August 5, 2005, notifying the Interinsurance Exchange of the Automobile Club of the impending review by the Planning Commission regarding our good faith substantial compliance with the provisions of Development Agreement DA 94-01, recorded November 1, 1994 (the Agreement). We also understand that the review will be conducted by the Planning Commission only.

To date, the Interinsurance Exchange has diligently pursued its obligations by accomplishing the following:

- Completion of a traffic study of the property to determine trip daily vehicle trip counts in June 2000 per the guidelines specified in Section 3.9 (c) (i) of the Agreement.
- Payment of traffic fees to the City totaling \$138,060 in November 2000 per the guidelines specified in Section 3.9 (c) (ii) of the Agreement.
- Regular submission by the Exchange and approval by the City regarding the Exchange's annual good faith substantial compliance requirements.

Because the Interinsurance Exchange has not yet pursued its final phase of building construction, there are no other obligations to be fulfilled at this time.



Headquarters: LOS ANGELES • Administrative Offices: COSTA MESA
Mailing Address: P.O. Box 25001, SANTA ANA, CA 92799-5001

Enclosed is the completed application for the Agreement review along with a \$1,170 processing fee. Per your request two sets of mailing labels for all owners of property located within a 500-foot radius of the Interinsurance Exchange property have been mailed under separate cover to you by Susan W. Case, Inc., an ownership listing service.

The Interinsurance Exchange of the Automobile Club has been in full compliance with the terms of the Agreement, and requests the City to acknowledge the same. Thank you.

Very truly yours,



Jeff Prokop

/ko



CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

DEVELOPMENT SERVICES DEPARTMENT

**FOR ATTACHMENTS NOT INCLUDED IN THIS REPORT,
PLEASE CONTACT THE PLANNING DIV. AT (714)754-5245.**